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E.O.12958

TAGS: [EAID](#) [KMCA](#) [PREL](#) [ECON](#) [MCC](#) [SG](#)

SUBJECT: DELIVERY OF MCC SCORECARD IS OCCASION FOR CRITICISM BY
SENIOR GOS OFFICIAL

REF: A. STATE 146777

1B. DAKAR 1993 AND PREVIOUS

11. (SBU) SUMMARY: In receiving Senegal's FY08 MCC Scorecard, Presidential Advisor Aminata Niane criticized the MCC's lack of clarifying information in the annual indicators and the lack of flexibility by the MCC to help Senegal, an "important partner," achieve a compact. Minister Niane was not being forthright in placing all the blame on the MCC for the decision to not pursue a compact to fund Dakar's Toll road project. Niane did not have any new ideas for a possible compact proposal. END SUMMARY.

12. (U) Per Ref A request, on October 30, Charge presented Senegal's 2008 MCC scorecard to Aminata Niane, Minister without Portfolio and Special Advisor to the President. Ms. Niane is also the Director General of APIX, Senegal's Investment Promotion Agency. Charge highlighted that Senegal has sufficient passing grades on the indicators, but that the final determination of eligibility will rest with the MCC Board.

SENEGAL WANTS MCC TO BE FLEXIBLE

13. (U) While Minister Niane was pleased to have received an advance copy of Senegal's scorecard and expressed satisfaction that Senegal had somewhat improved its indicators since 2007, she was quick to launch into a criticism of MCC's "lack of flexibility" with both the indicators and in reaching compact agreements.

14. (U) On the indicators, Niane insisted that the MCC should provide footnotes or other indications when a country has improved on an indicator after the reporting period. [Note: Over the past couple of months, APIX has succeeded in greatly reducing the number of days it takes to register a business in Senegal, and it is likely that the country will move from a failing to a passing grade for the "Business Start-Up" indicator in the FY09 Scorecard. End note.]

15. (SBU) Regarding the GOS's efforts to conclude a compact proposal, Niane heaped blame on the MCC for the failure to conclude an agreement on funding of Dakar's toll road (Ref B), and asserted that MCC should make special "considerations" on its due diligence requirements for "an important partner such as Senegal." Niane also charged that MCC "does not communicate well."

16. (U) Charge reminded Minister Niane that the compact proposal for the Diamniadio Platform fell through because the GOS signed a competing agreement with Dubai's Jafza Ltd. without consulting the MCC, and that the MCC had maintained a dialog on the Toll Road for more than one year. Charge added that the toll road deal fell through because the GOS decided it could not be flexible in the timing of its procedures for a private concessionaire, and in doing so established its apparent preference for USD 30-40 million in loans from the World Bank and the French Development Agency (AFD) rather than potentially hundreds of millions of dollars in MCC grant

assistance.

THE NEXT PROPOSAL

17. (U) Charge confirmed the willingness of the MCC and the Embassy to consult with Senegal on future compact proposals. Niane asserted that Senegal has already provided the MCC with a "complete" proposal for a power plant that should require no additional study. The Charge reminded Niane that both the former Ambassador and the MCC have underscored that a compact in the power sector is highly problematic in part because significant additional feasibility and impact studies would need to be conducted.

COMMENT

18. (SBU) Minister Niane is among the most knowledgeable senior GOS officials regarding MCC's efforts in Senegal. Like everybody involved, she is frustrated that Senegal has not yet concluded a compact. She is, however, being insincere in arguing that all the blame rests with the MCC, which, in our view has been transparent and forthright in its dealings with Senegal, as well as with the World Bank and AFD. The lack of a compact with Senegal is, for the most part, due to the GOS's unwillingness to accept MCC terms and requirements for transparency and due diligence. Niane, who is now one of President Wade's closest economic advisors, and is also reportedly allied to the political-economic forces led by Karim Wade and "The Generation of Concrete" (that is, the future leadership to the ruling PDS party), will apparently maintain the line that Senegal deserves special treatment.

SMITH